

July 8, 2019

Dear Alaska Legislators:

Today's special session is an opportunity to lay the ground work for a sustainable fiscal plan that utilizes reduced spending coupled with new revenue sources such as PFD earnings that can help lift Alaska out of its three-year recession.

The Anchorage Chamber of Commerce believes the best path forward is to combine reductions with new revenue, and as such opposes increasing the Permanent Fund Dividend (PFD) to a full pay out of \$3,000. The Anchorage Chamber supports the payment of a PFD that reflects the payment averages paid out in the last five years as Alaska has struggled to balance its budget.

To be clear, the Anchorage Chamber does not see logic in increasing the spending on the PFD while significantly cutting the overall budget. We urge both the Legislature and Executive branches to be proactive and find middle ground with a fiscal plan that utilizes PFD earnings and reduced spending. This is a recommended step toward achieving a sustainable budget that is the foundation for a stronger economy.

We recognize that Legislators and the Administration face a fiscal problem and the Anchorage Chamber believes a multi-year plan is necessary for economic growth.

The Anchorage Chamber of Commerce is the largest independent business association in Alaska with over 920 members, who have supported both budget reductions and new revenue development. Our priorities for the state have been:

Develop and implement a sustainable fiscal plan: The Anchorage Chamber of Commerce strongly encourages the governor and the legislature to take immediate action to implement a sustainable, long-term solution to address Alaska's fiscal challenges.

Reduce the budget: The Anchorage Chamber of Commerce members highly support a significant reduction in the state budget.

Consider new, broad-based, sustainable revenue sources: The Anchorage Chamber of Commerce members support use of the Permanent Fund earnings.

The state of Alaska is on the cusp of rebounding from an extreme and prolonged recession. Now is the time for both groups to work together. The cuts as proposed for this year and suggested for next year, without revenue sources, could see Alaska's recession continue or deepen.

In summary, the Anchorage Chamber urges Legislators and the Administration to use a portion PFD earnings to find a common path for a stronger economy that is the foundation of Alaska's future.

Sincerely,



Bruce Bustamante
President & CEO



Tim Thompson
Chairman of the Board of Directors